



UNITED STATES  
SECURITIES AND EXCHANGE COMMISSION  
Washington D.C. 20549

ANNUAL AUDITED REPORT  
FORM X-17A-5  
PART III

OMB APPROVAL

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FACING PAGE

Information Required of Brokers and Dealers Pursuant to Section 17 of the  
Securities Exchange Act of 1934 and Rule 17a-5 Thereunder

Report for the period beginning 01/01/14 and ending 12/31/14

A. REGISTRANT IDENTIFICATION

NAME OF BROKER-DEALER:  
Archer Distributors, LLC

Official Use Only

Firm ID No.

ADDRESS OF PRINCIPAL PLACE OF BUSINESS (Do not use P.O. Box No.):  
6100 Chevy Chase Drive, Suite 100

(No. and Street)

Laurel

(City)

MD

(State)

20707

(Zip Code)

NAME AND TELEPHONE NUMBER OF PERSON TO CONTACT IN REGARD TO THIS  
REPORT: Sothara Chin (301) 260-2934

(Area Code - Telephone No.)

B. ACCOUNTANT IDENTIFICATION

INDEPENDENT PUBLIC ACCOUNTANT whose opinion is contained in this Report\*  
DeMarco Sciacotta Wilkens & Dunleavy, LLP

(Name - if individual, state last, first, middle name)

6601 N. Avondale Avenue, Suite #200

(No. and Street)

Chicago

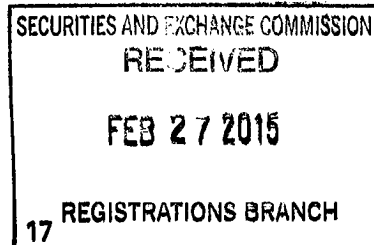
(City)

Illinois

(State)

60631

(Zip Code)



CHECK ONE:

☒ Certified Public Accountant

☐ Public Accountant

☐ Accountant, not resident in United States or any of its possessions

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\*Claims for exemption from the requirement that the annual report covered by the opinion of an independent public accountant must be supported by a statement of facts and circumstances relied on as the basis for the exemption. See section 240.17a-5(e)(2)

## OATH OR AFFIRMATION

I, **Sothara Chin**, swear (or affirm) that, to the best of my knowledge and belief, the accompanying financial statement and supporting schedules pertaining to the firm of Archer Distributors, LLC, as of December 31, 2014, are true and correct. I further swear (or affirm) that neither the Company nor any partner, proprietor, principal officer or director has any proprietary interest in any account classified solely as that of a customer, except, as follows:

None.

\_\_\_\_\_  
Signature

President  
Title

\_\_\_\_\_  
Notary Public

This report\*\* contains (check all applicable boxes):

- ☒ (a) Facing Page.
- ☒ (b) Statement of Financial Condition.
- ☐ (c) Statement of Income (Loss).
- ☐ (d) Statement of Cash Flows.
- ☐ (e) Statement of Changes in Stockholders' Equity or Partners' or Sole Proprietor's Capital.
- ☐ (f) Statement of Changes in Liabilities Subordinated to Claims of Creditors.
- ☐ (g) Computation of Net Capital.
- ☐ (h) Computation for Determination of Reserve Requirements Pursuant to Rule 15c-3-3.
- ☐ (i) Information Relating to the Possession or Control Requirements Under Rule 15c-3-3.
- ☐ (j) A Reconciliation, including appropriate explanation, of the Computation of Net Capital Under Rule 15c3-1 and the Computation for Determination of the Reserve Requirements Under Exhibit A of Rule 15c3-3.
- ☐ (k) A Reconciliation between audited and unaudited Statements of Financial Condition with respect to methods of consolidation.
- ☒ (l) An Oath or Affirmation.
- ☐ (m) A copy of the SIPC Supplemental Report.
- ☐ (n) Exemption Report

\*\* For conditions of confidential treatment of certain portions of this filing, see section 240.17a-5(e)(3).

ARCHER DISTRIBUTORS, LLC

STATEMENT OF FINANCIAL CONDITION  
AND REPORT OF INDEPENDENT REGISTERED  
PUBLIC ACCOUNTING FIRM

DECEMBER 31, 2014

DeMarco  
Sciaccotta  
Wilkins &  
Dunleavy

ARCHER DISTRIBUTORS, LLC

STATEMENT OF FINANCIAL CONDITION  
AND REPORT OF INDEPENDENT REGISTERED  
PUBLIC ACCOUNTING FIRM

DECEMBER 31, 2014

REPORT OF INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM

Member of  
Archer Distributors, LLC

We have audited the accompanying statement of financial condition of Archer Distributors, LLC (the Company) as of December 31, 2014 that is filed pursuant to Rule 17a-5 under the Securities Exchange Act of 1934 and the related notes to the financial statements. Archer Distributors, LLC's management is responsible for this financial statement. Our responsibility is to express an opinion on this financial statement based on our audit.

We conducted our audit in accordance with the standards of the Public Company Accounting Oversight Board (United States). Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the statement of financial condition is free of material misstatement. The Company is not required to have, nor were we engaged to perform, an audit of its internal control over financial reporting. Our audit included consideration of internal control over financial reporting as a basis for designing audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control over financial reporting. Accordingly, we express no such opinion. An audit also includes examining, on a test basis, evidence supporting the amounts and disclosures in the statement of financial condition, assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall statement of financial condition presentation. We believe that our audit provides a reasonable basis for our opinion.

In our opinion, the statement of financial condition referred to above presents fairly, in all material respects, the financial position of Archer Distributors, LLC as of December 31, 2014, in accordance with accounting principles generally accepted in the United States of America.

*DeMarco Sciaccotta Wilkins & Dunleavy LLP*

Chicago, Illinois  
February 19, 2015

ARCHER DISTRIBUTORS, LLC  
STATEMENT OF FINANCIAL CONDITION  
DECEMBER 31, 2014

**ASSETS**

Cash and cash equivalents	\$ 94,937
Receivables from non-customers	211,805
Other assets	<u>19,673</u>
<b>TOTAL ASSETS</b>	<b><u>\$ 326,415</u></b>

**LIABILITIES AND MEMBER'S CAPITAL**

<b>LIABILITIES</b>	
Accounts payable and other liabilities	\$ 195,532
<b>MEMBER'S CAPITAL</b>	<b><u>130,883</u></b>
<b>TOTAL LIABILITIES AND MEMBER'S CAPITAL</b>	<b><u>\$ 326,415</u></b>

*The accompanying notes are an integral part of this financial statement.*

## NOTES TO FINANCIAL STATEMENTS

YEAR ENDED DECEMBER 31, 2014

### NOTE 1 - SIGNIFICANT ACCOUNTING POLICIES

Organization – Archer Distributors, LLC (“Archer” or the “Company”) is a limited liability company incorporated in the state of Delaware. The Company is registered with the Securities and Exchange Commission and is a member of the Financial Industry Regulatory Authority (FINRA). The Company was initially registered as a broker-dealer with FINRA on June 18, 2012. The Company's principal business activity is providing mutual fund distribution services to registered investment companies.

The company's primary source of revenue is distribution fees derived from mutual fund distribution services. Commission revenue and related expenses arising from securities transactions are recorded on a trade date basis, which is the same day as the transaction date.

Concentration of Risk - The Company's cash is on deposit at one financial institution and the balance at times may exceed the federally insured limit. Due to the strong credit rating of this financial institution, the Company believes it is not exposed to any significant credit risk to cash.

Cash and Cash Equivalents – For purposes of the Statement of Cash Flows, the Company has defined cash equivalents as highly liquid investments, with original maturities of less than three months that are not held for sale in the ordinary course of business.

Subsequent Events - The Company evaluated all significant events or transactions that occurred through the audit report date, the date these financial statements were available to be issued. It was determined that there were no subsequent events to recognize or disclose in the statement of financial condition presented herein.

Use of Estimates - The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

The Company is exempt from the reserve requirements of Rule 15c3-3 as its transactions are limited, such that they do not handle customer funds or securities, accordingly, the computation for determination of reserve requirements pursuant to Rule 15c3-3 and information relating to the possession or control requirement pursuant to Rule 15c3-3 are not applicable.

ARCHER DISTRIBUTORS, LLC  
NOTES TO FINANCIAL STATEMENTS  
YEAR ENDED DECEMBER 31, 2014

NOTE 2 – FAIR VALUE MEASUREMENT

FASB ASC 820 defines fair value, creates a framework for measuring fair value, and establishes a fair value hierarchy which prioritizes the inputs to valuation techniques. Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. A fair value measurement assumes that the transaction to sell the asset or transfer the liability or, in the absence of a principal market, the most advantageous market. Valuation techniques that are consistent with the market, income or cost approach, as specified by FASB ASC 820, are used to measure fair value.

The fair value hierarchy prioritizes the inputs to valuation techniques used to measure fair value into three board levels:

- Level 1 inputs are quoted prices (unadjusted) in active markets for identical assets or liabilities that the Company has the ability to access.
- Level 2 inputs are inputs (other than quoted prices included within level 1) that are observable for the asset or liability, either directly or indirectly.
- Level 3 inputs are unobservable inputs for the asset or liability and rely on management's assumptions about the assumptions that market participants would use in pricing the asset or liability.

Level 1 inputs have been applied to value cash and cash equivalents on the statement of financial condition. No valuation techniques have been applied to all other assets and liabilities included in the statement of financial condition. Due to the nature of these items, all have been recorded at their historical values.



ARCHER DISTRIBUTORS, LLC  
NOTES TO FINANCIAL STATEMENTS  
YEAR ENDED DECEMBER 31, 2014

NOTE 3 - INCOME TAXES

The Company, as a wholly owned subsidiary of Arrow Investment Advisors, LLC ("Parent" or "Member"), is a disregarded entity for income tax purposes under the provisions of the Internal Revenue Code. Accordingly, income from the Company is reported and respective income taxes paid by the members of the Parent and, as a result, no provision for federal income taxes is provided as it relates to the LLC taxable income.

The Company accounts for any potential interest or penalties related to possible future liabilities for unrecognized income tax benefits as interest/other expense. The Company is no longer subject to examination by tax authorities for federal, state or local income taxes for periods before 2011.

NOTE 4 - RELATED PARTY TRANSACTIONS

In addition to the Parent relationship, through common ownership and management, the Company is affiliated with Arrow Investment Advisors LLC, a registered investment advisor, and may provide or receive services to and from each other. The Company is party to an Expense Sharing Agreement with the Parent, pursuant to which the Company and Parent allocate certain expenses between the entities. The Parent, in accordance with an Expense Sharing Agreement, paid \$6,492 in expenses allocated for rent and utilities for the year ended December 31, 2014.

NOTE 5 - NET CAPITAL REQUIREMENTS

As a registered broker/dealer and member of the Financial Industry Regulatory Authority, the Company is subject to the Securities and Exchange Commission Uniform Net Capital Rule (Rule 15c3-1), which requires the maintenance of minimum net capital and requires that the ratio of aggregated indebtedness to net capital, defined, to not exceed 1500%. At December 31, 2014, the Company's net capital was \$91,815 which was \$78,780 in excess of its required minimum net capital. The ratio of aggregate indebtedness to net capital was 213%.